1986
Financial
Ratio
Study

Binders' Ratios

Volume XIII

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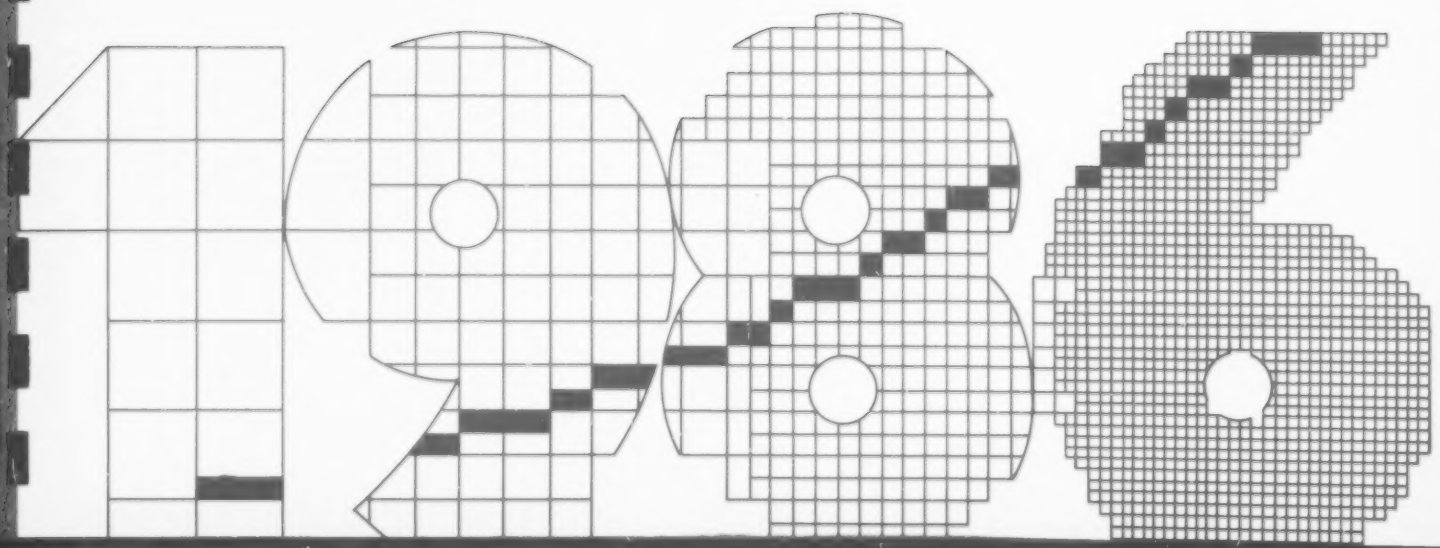

63RD annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1986 FINANCIAL RATIOS

BINDERS

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PRINTING INDUSTRIES OF AMERICA, INC.

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H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 979 graphic arts firms of various types took part in the 1986 study. This particular volume is the result of financial information contributed by 24 Binders across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $500,000 to $1,500,000, sales from $1,500,000 to $3,000,000, etc., and by product specialty for example, Pamphlet, Edition Books, etc. Readers can compare their firm's operations with other firms having the same sales volume or product specialty in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

PRINTING INDUSTRIES OF AMERICA, INC.

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1986 is the 63rd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

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Binding Industries of America is a special industry group of the binding industry and represents over 300 firms in trade binding, loose leaf manufacturing and supplies to those industries. BIA provides technical and managerial information on trade binding and loose leaf manufacturing. The *Binders' Bulletin* is a monthly publication with items of interest to the entire membership. In addition to the *Binders' Bulletin*, several other reports of special interest to binders are produced by BIA. BIA has also worked with American National Standards Institute in publishing specifications for the loose leaf binding industry. These specifications are available for purchase from the BIA office.

Over 450 people annually attend the BIA conference held in central locations. These members hear discussions and exchange information on the technology and problems unique to the binding industry. Audio tapes of these sessions are published by BIA and are available from the BIA office. Regional seminars are held each year in the east, midwest and west for technical subjects as well as exhibits from the supplier members. These seminars are for supervisory personnel in the members' binderies.

BIA is governed by its own Board of Directors and officers and is itself a support contributor to the efforts of Printing Industries of America, Inc. and affiliated local associations. We highly endorse the PIA Financial Ratio Study and encourage participation in this vital program.

James R. Niesen
Executive Director
Binding Industries of America
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REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	2.27	0.00
Chargeable materials	9.32	5.43
Outside services	2.16	2.70
TOTAL MATERIALS	13.75	8.13
FACTORY PAYROLL	46.17	46.52
FACTORY EXPENSES	19.34	20.76
TOTAL FACTORY COST OF PRODUCT	79.26	75.41
GROSS PROFIT	20.74	24.59
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.07	14.37
Selling expenses	3.80	1.67
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.87	16.04
INCOME (LOSS) BEFORE INTEREST EXPENSE	3.87	8.55
Interest expense	1.71	1.05
OPERATING INCOME (LOSS)	2.16	7.50
Other income	1.09	2.69
INCOME BEFORE INCOME TAXES	3.25	10.19

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
0.89	0.00	0.58	3.60
2.94	5.42	3.09	14.52
1.25	1.18	1.10	2.75
5.08	6.60	4.77	20.87
47.36	44.10	57.17	41.91
20.99	20.35	23.54	17.29
73.43	71.05	85.48	80.07
26.57	28.95	14.52	19.93
16.93	16.71	14.76	10.25
1.39	0.92	1.26	5.97
18.32	17.63	16.02	16.22
8.25	11.32	(1.50)	3.71
1.34	0.96	1.42	2.09
6.91	10.36	(2.92)	1.62
0.13	0.86	3.55	0.63
7.04	11.22	0.63	2.25

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.20%	2.34%
Direct wages	30.94	31.07
General factory salaries and wages	2.00	3.32
Packing, shipping and delivery wages	2.34	2.68
Payroll taxes	3.45	3.19
Employee benefits	4.24	3.92
TOTAL FACTORY PAYROLL	46.17	46.52
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.51	0.11
Depreciation - other	4.39	7.53
Taxes - real estate	0.30	0.36
Taxes - other	0.19	0.17
Insurance	1.19	1.46
Building rent	2.70	2.53
Utilities - heat, light, etc.	1.81	1.34
Equipment rental	0.40	0.06
Total Fixed Expenses	11.49	13.56
Other Expenses		
Factory supplies and expense	2.16	1.11
Packing, shipping and delivery expense	2.56	2.87
Repairs and maintenance	2.20	2.00
Other factory expenses	0.93	1.22
Total Other Expenses	7.85	7.20
TOTAL FACTORY EXPENSES	19.34	20.76
ADMINISTRATIVE EXPENSES		
Salaries - executive	4.71	6.83
Salaries - office	3.36	2.29
Payroll taxes	0.68	0.66
Employee benefits	0.77	1.67
Bad debts	0.56	0.52
Office supplies and expenses	0.50	0.23
Professional fees	0.67	0.76
Taxes - business	0.29	0.24
Telephone	0.55	0.36
Other administrative expenses	0.98	0.81
TOTAL ADMINISTRATIVE EXPENSES	13.07	14.37
SELLING EXPENSES		
Salaries - executive	0.67	0.06
Salaries and commissions - salesmen	1.40	0.40
Salaries - sales office clerical	0.25	0.46
Payroll taxes	0.12	0.08
Employee benefits	0.12	0.05
Advertising	0.31	0.04
Travel and entertainment	0.64	0.27
Other selling expenses	0.29	0.31
TOTAL SELLING EXPENSES	3.80	1.67

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.84%	2.11%	3.38%	3.14%
33.99	31.81	37.84	27.01
0.27	0.00	4.14	2.17
2.39	2.09	3.83	1.91
3.75	3.09	3.86	3.20
4.12	5.00	4.12	4.48
47.36	44.10	57.17	41.91
0.63	0.00	0.13	0.62
5.84	8.22	6.69	3.12
0.60	0.20	0.42	0.14
0.14	0.28	0.43	0.10
1.42	2.06	1.41	0.98
2.83	2.97	2.84	2.42
1.79	1.13	2.00	1.69
0.05	0.00	0.46	0.57
13.30	14.86	14.38	9.64
1.91	1.05	1.23	2.67
2.87	1.75	3.34	2.13
1.84	1.78	3.11	2.08
1.07	0.91	1.48	0.77
7.69	5.49	9.16	7.65
20.99	20.35	23.54	17.29
8.54	9.34	3.86	3.14
3.03	2.63	4.04	2.89
0.86	0.89	0.53	0.62
1.33	2.17	0.36	0.60
0.63	0.33	0.74	0.51
0.50	0.26	0.77	0.45
0.60	0.49	1.13	0.57
0.25	0.14	0.75	0.18
0.46	0.30	0.59	0.56
0.73	0.16	1.99	0.73
16.93	16.71	14.76	10.25
0.50	0.11	0.14	0.96
0.19	0.00	0.00	2.50
0.11	0.21	0.00	0.41
0.01	0.02	0.01	0.21
0.01	0.02	0.00	0.21
0.07	0.00	0.43	0.39
0.25	0.21	0.51	0.91
0.25	0.35	0.17	0.38
1.39	0.92	1.26	5.97

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	6.94%	12.40%
Receivables	30.46	27.00
Inventories	8.08	2.03
Other current assets	8.80	11.22
TOTAL CURRENT ASSETS	54.28	52.65
FIXED ASSETS		
Real estate	10.25	2.97
Less: Accumulated depreciation	2.34	0.42
	7.91	2.55
Machinery and equipment	76.23	84.86
Less: Accumulated depreciation	47.27	53.86
	28.96	31.00
Other fixed assets	7.56	7.17
Less: Accumulated depreciation	4.54	3.72
	3.02	3.45
NET FIXED ASSETS	39.89	37.00
OTHER ASSETS	5.83	10.35
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	9.52	7.27
Accounts payable	11.14	8.39
Other current liabilities	9.09	10.28
TOTAL CURRENT LIABILITIES	29.75	25.94
LONG-TERM LIABILITIES	27.77	20.20
TOTAL LIABILITIES	57.52	46.14
SHAREHOLDERS' AND PROPRIETORS' EQUITY	42.48	53.86
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.82	2.03
QUICK RATIO	1.55	1.95
TOTAL LIABILITIES TO EQUITY	1.35	0.86
LONG-TERM LIABILITIES TO EQUITY	0.65	0.38
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.62	0.63

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
11.65%	15.03%	9.04%	4.39%
25.57	24.99	19.30	37.37
2.12	2.80	0.02	13.03
9.62	17.42	13.50	3.18
48.96	60.24	41.86	57.97
15.98	1.43	3.69	10.42
1.98	0.00	0.84	3.15
14.00	1.43	2.85	7.27
72.10	95.54	79.73	69.73
41.19	65.92	43.05	42.15
30.91	29.62	36.68	27.58
5.07	8.29	9.99	7.03
2.65	4.34	5.81	4.19
2.42	3.95	4.18	2.84
47.33	35.00	43.71	37.69
3.71	4.76	14.43	4.34
100.00	100.00	100.00	100.00
8.24	8.42	9.66	10.81
4.43	2.74	12.82	14.46
4.86	1.08	13.15	10.40
17.53	12.24	35.63	35.67
27.37	14.72	25.27	30.86
44.90	26.96	60.90	66.53
55.10	73.04	39.10	33.47
100.00	100.00	100.00	100.00
2.79	4.92	1.17	1.63
2.67	4.69	1.17	1.26
0.81	0.37	1.56	1.99
0.50	0.20	0.65	0.92
0.57	0.69	0.54	0.60

SIGNIFICANT FACTS

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 21,559	$ 26,182
Average assets per factory employee (Excluding Executives)	26,023	30,699
Average net worth per employee - All employees	9,369	14,474
Average gross plant investment per factory employee (Excluding Executives)	23,821	28,027
Net worth percentage of fixed assets	162.13%	171.05%
EMPLOYEES		
Percent factory - All employees	87.08%	87.92%
Percent administrative - All employees	9.95	10.43
Percent sales - All employees	2.97	1.65
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 42,039	$ 41,078
Sales per factory employee	48,909	47,431
Sales less material per factory employee	40,421	43,546
Sales per administrative employee	488,659	405,981
EXCLUDING EXECUTIVES		
Sales per employee - All employees	45,971	45,255
Sales per factory employee	51,610	48,888
Sales less material per factory employee	42,355	44,850
SALES PER SALESMAN	1,040,644	0
SALES TO CURRENT ASSETS	383%	329%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	58.24%	59.02%
Factory payroll percentage of gross plant investment	104.35	79.66
Payroll per employee - All employees	$ 23,609	$ 24,183
Payroll per factory employee	21,102	21,218
Payroll per administrative employee	39,893	45,063
Payroll per sales employee	28,969	9,205
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 17,270	$ 17,161
Payroll per factory employee	16,461	17,000
Payroll per administrative employee	20,157	17,632
Payroll per sales employee	21,531	8,097
EXECUTIVE PAYROLL		
Payroll per executive - All executives	54,380	50,705
Payroll per factory executive	37,789	31,581
Payroll per administrative executive	76,487	55,321
Payroll per sales executive	25,069	3,600
RECEIVABLES		
Collection period	59.0	66.1
PROFIT		
Gross profit percentage of sales	20.74%	24.59%
Average gross profit per factory employee	$ 11,157	$ 13,024
Income before taxes percentage of sale	3.25%	10.19%
Average income before taxes per employee	$ 1,460	$ 4,197

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 22,564	$ 26,451	$ 24,082	$ 20,518
27,383	32,108	26,889	25,292
13,295	20,253	8,984	6,973
25,105	31,964	24,623	21,297
155.51%	241.14%	138.48%	96.81%
85.37%	85.72%	91.75%	86.75%
13.36	13.35	8.09	8.40
1.27	0.93	0.16	4.85
$ 40,128	$ 50,030	$ 33,172	$ 46,455
47,658	58,651	36,413	54,160
44,987	54,549	34,773	40,494
315,321	373,906	424,959	611,771
45,169	56,326	34,936	50,665
49,653	60,682	37,489	57,768
46,846	56,370	35,804	42,773
0	0	0	1,040,644
400%	343%	389%	394%
61.94%	59.49%	66.12%	53.46%
102.58	86.95	92.68	113.40
$ 24,732	$ 29,778	$ 22,136	$ 23,741
21,962	25,560	20,872	20,919
42,645	56,541	36,190	40,538
8,422	6,850	7,930	47,155
$ 17,124	$ 20,239	$ 17,238	$ 17,421
17,125	20,143	16,825	16,102
18,343	21,523	22,784	20,199
5,195	6,000	0	37,352
46,570	53,874	50,747	59,529
25,563	23,778	45,154	40,315
47,932	59,791	61,822	96,305
13,600	6,000	7,356	37,741
56.7	45.1	54.8	63.3
26.57%	28.95%	14.52%	19.93%
$ 13,775	$ 17,718	$ 5,651	$ 11,856
7.04%	11.22%	0.63%	2.25%
$ 3,235	$ 5,385	$ 39	$ 1,094

CHAPTER 1 - BY SIZE OF FIRM

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 3.70	$ 7.00
Receivables	15.73	17.62
Inventories	3.47	1.14
Marketable securities	3.13	6.62
Other current assets	1.85	1.10
	27.88	33.48
Plant Investment:		
Land and building	7.17	3.57
Machinery and equipment	41.87	53.89
Other fixed assets	4.37	5.38
	53.41	62.84
Non-Current Assets	4.55	12.33
TOTAL INVESTMENT	85.84	108.65
INVESTMENT TURNOVER PER $100 OF SALES	116.50%	92.04%
EARNINGS		
Cost of Product	$79.26	$75.41
Selling Expenses	3.80	1.67
Administrative Expenses	13.07	14.37
	96.13	91.45
Income (Loss) Before Interest, Other Income, and Taxes	3.87	8.55
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	4.51%	7.87%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 6.08	$ 8.40	$ 5.67	$ 2.13
15.02	12.35	14.62	16.92
1.10	1.55	0.02	5.34
5.51	11.03	0.00	0.63
0.75	0.54	7.00	0.84
28.46	33.87	27.31	25.86
14.62	0.79	4.47	5.12
40.27	47.18	59.93	32.35
3.48	5.51	7.51	3.24
58.37	53.48	71.91	40.71
2.37	2.70	16.31	2.12
89.20	90.05	115.53	68.69
112.11%	111.05%	86.56%	145.58%
$73.43	$71.05	$85.48	$80.07
1.39	0.92	1.26	5.97
16.93	16.71	14.76	10.25
91.75	88.68	101.50	96.29
8.25	11.32	(1.50)	3.71
9.25%	12.57%	(1.30)%	5.40%

REPORT ON OPERATIONS - SALES = 100%

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	0.48	0.00	0.00
Chargeable materials	3.77	3.68	15.83
Outside services	2.37	3.37	1.73
TOTAL MATERIALS	6.62	7.05	17.56
FACTORY PAYROLL	51.05	47.32	43.65
FACTORY EXPENSES	20.88	21.57	15.09
TOTAL FACTORY COST OF PRODUCT	78.55	75.94	76.30
GROSS PROFIT	21.45	24.06	23.70
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.98	13.61	13.15
Selling expenses	2.60	1.79	3.47
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.58	15.40	16.62
INCOME BEFORE INTEREST EXPENSE	4.87	8.66	7.08
Interest expense	1.45	1.32	1.85
OPERATING INCOME	3.42	7.34	5.23
Other income	1.24	3.03	0.60
INCOME BEFORE INCOME TAXES	4.66	10.37	5.83

** Sample insufficient for Profit Leaders.

LOOSELEAF**	NO PREDOMINANT SPECIALTY**	OTHER**
ALL FIRMS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%
11.69	0.78	0.00
29.31	1.66	4.19
2.21	1.83	1.91
43.21	4.27	6.10
24.05	52.51	53.00
9.88	24.81	21.71
77.14	81.59	80.81
22.86	18.41	19.19
10.40	14.34	13.88
8.38	2.73	1.19
18.78	17.07	15.07
4.08	1.34	4.12
2.25	1.08	1.34
1.83	0.26	2.78
0.13	1.60	1.32
1.96	1.86	4.10

SUPPORTING SCHEDULES - SALES = 100%

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.34%	1.91%	3.68%
Direct wages	34.77	30.33	30.27
General factory salaries and wages	2.42	4.16	1.95
Packing, shipping and delivery wages	3.03	3.32	1.19
Payroll taxes	4.05	3.37	3.30
Employee benefits	4.44	4.23	3.26
TOTAL FACTORY PAYROLL	51.05	47.32	43.65
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.53	0.13	0.00
Depreciation - other	5.36	8.55	3.03
Taxes - real estate	0.57	0.36	0.12
Taxes - other	0.10	0.07	0.19
Insurance	0.99	1.11	1.34
Building rent	2.14	2.25	3.75
Utilities - heat, light, etc.	2.07	1.44	1.86
Equipment rental	0.56	0.07	0.42
Total Fixed Expenses	12.32	13.98	10.71
Other Expenses			
Factory supplies and expense	1.36	0.70	1.61
Packing, shipping and delivery expense	3.56	3.59	0.74
Repairs and maintenance	2.64	2.36	1.17
Other factory expenses	1.00	0.94	0.86
Total Other Expenses	8.56	7.59	4.38
TOTAL FACTORY EXPENSES	20.88	21.57	15.09
ADMINISTRATIVE EXPENSES			
Salaries - executive	5.24	5.79	6.20
Salaries - office	2.75	1.95	3.44
Payroll taxes	0.76	0.59	0.72
Employee benefits	1.01	1.83	0.78
Bad debts	1.02	0.65	0.26
Office supplies and expenses	0.46	0.24	0.31
Professional fees	0.83	0.92	0.39
Taxes - business	0.27	0.23	0.14
Telephone	0.53	0.43	0.44
Other administrative expenses	1.11	0.98	0.47
TOTAL ADMINISTRATIVE EXPENSES	13.98	13.61	13.15
SELLING EXPENSES			
Salaries - executive	0.43	0.00	1.05
Salaries and commissions - salesmen	0.73	0.51	0.87
Salaries - sales office clerical	0.23	0.42	0.21
Payroll taxes	0.09	0.08	0.08
Employee benefits	0.09	0.04	0.02
Advertising	0.22	0.05	0.24
Travel and entertainment	0.54	0.32	0.70
Other selling expenses	0.27	0.37	0.30
TOTAL SELLING EXPENSES	2.60	1.79	3.47

** Sample insufficient for Profit Leaders.

LOOSELEAF**	NO PREDOMINANT SPECIALTY**	OTHER**
ALL FIRMS	ALL FIRMS	ALL FIRMS
2.52%	5.13%	3.11%
14.07	33.91	40.16
2.47	1.67	0.00
0.51	3.29	2.21
1.49	3.76	3.64
2.99	4.75	3.88
24.05	52.51	53.00
0.15	1.97	0.00
1.88	2.33	6.79
0.12	0.00	0.01
0.09	0.43	0.30
1.11	1.41	1.85
1.31	3.36	2.86
1.00	2.00	1.22
0.02	0.67	0.06
5.68	12.17	13.09
1.81	5.84	2.72
1.56	2.62	1.67
0.74	2.71	3.33
0.09	1.47	0.90
4.20	12.64	8.62
9.88	24.81	21.71
3.71	4.17	4.56
2.95	5.34	3.72
0.42	0.56	1.05
0.56	0.47	0.47
0.18	0.03	0.30
0.43	0.50	1.09
0.71	0.37	0.46
0.01	0.06	1.69
0.75	0.61	0.37
0.68	2.23	0.17
10.40	14.34	13.88
1.63	0.55	0.00
4.07	0.73	0.00
0.38	0.44	0.00
0.24	0.12	0.00
0.28	0.12	0.00
0.36	0.19	0.53
0.93	0.34	0.41
0.49	0.24	0.25
8.38	2.73	1.19

CHAPTER 2 - BY PRODUCT SPECIALTY

BALANCE SHEET

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	8.46%	7.91%	11.67%
Receivables	29.28	28.14	33.20
Inventories	2.06	0.51	10.47
Other current assets	7.04	11.33	4.66
TOTAL CURRENT ASSETS	46.84	47.89	60.00
FIXED ASSETS			
Real estate	17.25	2.64	1.43
Less: Accumulated depreciation	4.34	0.53	0.00
	12.91	2.11	1.43
Machinery and equipment	74.43	91.71	64.58
Less: Accumulated depreciation	44.00	57.26	36.08
	30.43	34.45	28.50
Other fixed assets	5.77	7.28	7.93
Less: Accumulated depreciation	3.79	4.66	2.01
	1.98	2.62	5.92
NET FIXED ASSETS	45.32	39.18	35.85
OTHER ASSETS	7.84	12.93	4.15
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.87	9.08	10.10
Accounts payable	7.88	9.63	10.03
Other current liabilities	9.56	12.86	6.80
TOTAL CURRENT LIABILITIES	27.31	31.57	26.93
LONG-TERM LIABILITIES	26.98	25.25	16.14
TOTAL LIABILITIES	54.29	56.82	43.07
SHAREHOLDERS' AND PROPRIETORS' EQUITY	45.71	43.18	56.93
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.72	1.52	2.23
QUICK RATIO	1.64	1.50	1.84
TOTAL LIABILITIES TO EQUITY	1.19	1.32	0.76
LONG-TERM LIABILITIES TO EQUITY	0.59	0.58	0.28
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.62	0.56

** Sample insufficient for Profit Leaders.

LOOSELEAF**	NO PREDOMINANT SPECIALTY**	OTHER**
ALL FIRMS	ALL FIRMS	ALL FIRMS
4.92%	4.18%	6.89%
34.26	28.01	27.45
23.21	5.19	1.73
2.20	34.33	3.94
64.59	71.71	40.01
11.77	0.00	2.44
1.54	0.00	1.11
10.23	0.00	1.33
47.66	113.14	83.63
26.92	93.33	39.52
20.74	19.81	44.11
4.63	11.85	15.54
2.37	8.54	9.00
2.26	3.31	6.54
33.23	23.12	51.98
2.18	5.17	8.01
100.00	100.00	100.00
12.70	3.24	5.84
18.35	12.60	3.86
12.32	9.01	3.19
43.37	24.85	12.89
29.85	14.52	27.66
73.22	39.37	40.55
26.78	60.63	59.45
100.00	100.00	100.00
1.49	2.89	3.10
0.95	2.68	2.97
2.73	0.65	0.68
1.11	0.24	0.47
0.56	0.82	0.47

SIGNIFICANT FACTS

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 20,823	$ 25,437	$ 24,613
Average assets per factory employee (Excluding Executives)	24,044	28,860	29,771
Average net worth per employee - All employees	9,369	11,052	14,900
Average gross plant investment per factory employee (Excluding Executives)	23,204	28,517	21,673
Net worth percentage of fixed assets	117.48%	128.44%	181.00%
EMPLOYEES			
Percent factory - All employees	88.42%	89.35%	88.23%
Percent administrative - All employees	9.93	9.29	9.87
Percent sales - All employees	1.65	1.36	1.90
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 34,705	$ 38,063	$ 49,963
Sales per factory employee	39,725	43,135	56,796
Sales less material per factory employee	37,087	40,290	46,665
Sales per administrative employee	384,889	418,634	604,660
EXCLUDING EXECUTIVES			
Sales per employee - All employees	37,342	40,948	55,128
Sales per factory employee	40,839	43,775	60,115
Sales less material per factory employee	38,122	40,887	49,397
SALES PER SALESMAN	1,011,558	0	2,000,428
SALES TO CURRENT ASSETS	388%	347%	352%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	62.37%	58.52%	57.02%
Factory payroll percentage of gross plant investment	95.81	70.79	120.44
Payroll per employee - All employees	$ 21,544	$ 22,121	$ 28,291
Payroll per factory employee	19,790	19,530	24,576
Payroll per administrative employee	34,884	41,529	56,694
Payroll per sales employee	21,675	6,369	69,625
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 15,647	$ 15,442	$ 20,669
Payroll per factory employee	15,537	15,330	19,985
Payroll per administrative employee	15,746	14,541	26,271
Payroll per sales employee	15,069	5,621	44,668
EXECUTIVE PAYROLL			
Payroll per executive - All executives	48,414	49,737	66,543
Payroll per factory executive	29,440	29,893	40,848
Payroll per administrative executive	51,589	51,783	188,716
Payroll per sales executive	13,693	0	64,571
RECEIVABLES			
Collection period	66.8	71.4	60.6
PROFIT			
Gross profit percentage of sales	21.45%	24.06%	23.70%
Average gross profit per factory employee	$ 9,375	$ 11,648	$ 14,371
Income before taxes percentage of sales	4.66%	10.37%	5.83%
Average income before taxes per employee	$ 1,814	$ 3,988	$ 3,030

** Sample insufficient for Profit Leaders.

LOOSELEAF**	NO PREDOMINANT SPECIALTY**	OTHER**
ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 22,814	$ 18,293	$ 25,425
31,687	21,948	28,444
5,987	11,242	15,139
20,434	28,089	29,014
93.22%	527.64%	118.90%
80.63%	86.83%	91.89%
10.24	10.99	8.11
9.13	2.18	0.00
$ 59,363	$ 38,425	$ 43,291
73,933	44,140	47,005
41,696	42,389	43,424
648,111	531,984	553,904
68,422	40,816	45,881
82,269	45,851	48,190
46,203	44,029	44,537
599,685	1,179,480	0
422%	310%	427%
38.30%	65.00%	62.79%
123.95	105.30	91.72
$ 22,588	$ 25,061	$ 26,935
17,603	23,403	24,822
41,265	37,892	51,412
42,190	11,575	0
$ 16,549	$ 18,509	$ 20,710
13,541	17,900	20,241
22,126	23,225	27,276
38,421	8,096	0
41,203	64,873	59,029
16,891	61,319	56,787
91,671	71,692	60,150
47,335	22,660	0
48.6	47.5	52.3
22.86%	18.41%	19.19%
$ 18,791	$ 8,414	$ 9,277
1.96%	1.86%	4.10%
$ 1,220	$ 688	$ 1,850

RETURN ON INVESTMENT - PER $100 OF SALES

	PAMPHLET		EDITION BOOKS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 4.47	$ 4.59	$ 6.27
Receivables	17.69	18.96	16.01
Inventories	0.97	0.30	5.09
Marketable securities	3.27	6.95	1.76
Other current assets	1.23	1.21	0.71
	27.63	32.01	29.84
Plant Investment:			
Land and building	13.46	3.88	0.79
Machinery and equipment	45.14	59.48	31.58
Other fixed assets	3.86	5.80	3.91
	62.46	69.16	36.28
Non-Current Assets	7.49	15.41	1.88
TOTAL INVESTMENT	97.58	116.58	68.00
INVESTMENT TURNOVER PER $100 OF SALES	102.48%	85.78%	147.06%
EARNINGS			
Cost of Product	$78.55	$75.94	$76.30
Selling Expenses	2.60	1.79	3.47
Administrative Expenses	13.98	13.61	13.15
	95.13	91.34	92.92
Income Before Interest, Other Income, and Taxes	4.87	8.66	7.08
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.99%	7.43%	10.41%

** Sample insufficient for Profit Leaders.

LOOSELEAF**	NO PREDOMINANT SPECIALTY**	OTHER**
ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 2.04	$ 2.02	$ 5.04
12.92	12.99	14.32
8.49	2.94	0.78
0.00	11.30	0.00
0.70	6.48	3.30
24.15	35.73	23.44
4.89	0.00	1.08
18.49	58.45	54.57
1.78	6.19	10.41
25.16	64.64	66.06
0.86	2.33	5.07
50.17	102.70	94.57
199.32%	97.37%	105.74%
$77.14	$81.59	$80.81
8.38	2.73	1.19
10.40	14.34	13.88
95.92	98.66	95.88
4.08	1.34	4.12
8.13%	1.30%	4.36%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	24	$2,010,000	$4,055,000	$118,000
TOTAL - PROFIT LEADERS*	5	1,492,000	1,936,000	190,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	6	684,000	1,032,000	76,000
$1,500,000-$3,000,000	4	1,789,000	2,167,000	(7,000)
Over $3,000,000	13	2,823,000	6,308,000	184,000
PROFIT LEADERS				
$500,000-$1,500,000	3	602,000	1,076,000	128,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Pamphlet	11	1,788,000	2,982,000	130,000
Edition Books	3	2,582,000	5,599,000	260,000
Looseleaf	4	3,311,000	8,208,000	208,000
No Predominant Specialty	3	952,000	2,099,000	2,000
Other	2	1,559,000	2,573,000	108,000
PROFIT LEADERS				
Pamphlet	4	1,787,000	2,278,000	224,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.